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NEW SOUTH WALES

BUSINESS STATISTICS - WEEKLY NOTES.

7th May, 1940.

This Week's Notes include:-

PART I

SEASON: April rainfall above average.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS: Export prices firm. U.K. commodity prices steady. Industrial shares easier in London.

WOOL: Arrivals in Sydney to May 2, 1940. Appraised values in Australia below agreed price. Price of wool to Australian manufacturers. Acquisition of sheep skins for export.

WHEAT: The World Wheat Situation.

Heavy exportable carry-over, 1939-40.
Prospects of 1940-41 crops.
Wheat supplies and the War.
Factors affecting wheat marketing.
Australian policy of reduced wheat sowing, etc.
Oversea prices spurt in April partly reversed.
Local market quiet. Sale of flour to Japan.
Flour exports from N.S.W.

BUTTER: Production in N.S.W. Factories - March & July-Mar., 1940.
Low per capita consumption in U.K.

METALS: Tin prices about steady in London. International tin statistics, April, 1940. Silver firm in London.

PART II

INTERNATIONAL CURRENCY RELATIONS: Sterling weaker on New York open market.

PART III

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Sales and
Mortgages Registered - April and Jan.-Apr., 1940.

PART IV

BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS.

Value and
Dwellings Proposed) March Quarter, 1940.

BUILDING PERMITS - N.S.W.

Value - March Quarter, 1940.

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- Position at 31st March, 1940.

IRON AND STEEL, N.S.W.

- Indexes of Production - March, 1940.

BUSINESS STATISTICS - WEEKLY NOTES - 7th May, 1940.

PART I PRIMARY AND EXPORT INDUSTRIES.

<u>SEASON</u>:- More than double the normal rainfall was received over a large part of the State in April, 1940. Rainfall was below average only on the Northern Tablelands and the North Coast where bountiful rains fell in March. In the first week of May moderate to heavy rain fell along the Coast. General satisfactory seasonal conditions prevail.

<u>EXPORT PRICES AND EXTERNAL TRADE CONDITIONS</u>: The position with regard to oversea marketing of Australian primary products is substantially unchanged. A press message from London states that the provision of shipping space for Australian (and New Zealand) fruit, timber and wine is under discussion. Facilities for the export of fruit and wine would relieve pressure on local markets and increase Australian export income. The index number of Australian export prices (Commonwealth Bank) in Australian currency (average, 1927 = 100) was

81.4 at the end of April, 1940,
63.4 " " " " " 1939 and
averaged 66.5 in the year ended June, 1939.

Wholesale prices in the United Kingdom are steadier. There was a rise of 36 per cent. between Aug. 23, 1939 and Apr. 17, 1940 but on May 1 the index number ("Economist") was 93.7 (1927 = 100) compared with 93.8 a fortnight earlier. Industrial share prices declined in London in reaction to the Budget; the market for gilt-edged securities was firm and active last week, partly the result of re-investment of payments for United States securities taken over by the Treasury. The rate of the purchases tax, not yet announced, will be a factor affecting British consumption. In New York industrial securities were steady. The Allied Purchasing Mission placed orders in the United States for $200 m. worth of aircraft and engines in the fortnight ended Apr. 26, 1940. The United States Neutrality Act has been applied to Norway.

<u>WOOL</u>. Arrivals of wool in Sydney this season to May 2 were 1,228,737 bales. This is 20 per cent. more than in the corresponding period of 1938-39 (1,020,161 bales) and for the full season the record (1,235,053 bales) of 1932-33 will be surpassed.

It is believed that the average appraised value of wool valued in Australia this season will be at least 5 per cent. below the agreed price (13.4375d. (Aust.) per lb.) under the British purchase. The deficiency resulting from undervaluation will be paid to growers with the 10 per cent. retention money at the close of the season. The clearing-up appraisements in Sydney are now fixed for June 18 to 27, 1940.

Under new regulations the Central Wool Committee may add a margin to the appraised value of wool sold to Australian manufacturers. Formerly such wool was sold at the appraised price plus ¼d. per lb. Local woollen mills are very busy.

All sheep skins for export have been acquired under regulations made last week and will be paid for on appraisement in similar manner to wool.

Wool has been in keen demand at South African sales. Most buying was from Britain and France, but purchases for Belgium were made also. In Bradford fine tops and noils are in ample supply for export. The futures top market in New York is steady at the reduced level of recent weeks.

The agreed price under the British purchase is 3.6d. per lb. higher than the market average price in Sydney at the end of April, 1939 and 30 and 5½ per cent. above the average price obtained in the seasons 1938-39 and 1937-38 respectively.

/AVERAGE.....

AVERAGE PRICE OF GREASY WOOL IN SYDNEY.

	Seasons ended June -					April.	
	1926-29.	1931-33.	1937.	1938.	1939.	1939.	1940.
Pence (Aust.) per lb.	17.2	8.5	16.4	12.7	10.3	10.0	13.4(a)

(a) Agreed price for British purchase of 1939-40 clip; subject to addition of one-half profit on re-sale of raw wool outside U.K.

/WHEAT .....

WHEAT:

THE WORLD WHEAT SITUATION.

Next year's world import requirements are more than met by the world exportable carry-over of 1939-40 without any wheat from the incoming crop. Northern Hemisphere production in 1940-41 is likely to be smaller than in 1939-40. Germany's potential suppliers will have little wheat to export. World wheat shipments have decreased, and export outlets are limited.

Australian growers have been urged officially to restrict wheat sowing. Wheat futures rose to a record level in April but eased a little subsequently. Prices in Australia are 65 per cent. above those of a year ago.

WORLD WHEAT PRODUCTION, 1939-40. During the past month no important revisions to estimates of wheat production in 1939-40 were reported. Particulars were given in W.N. of 2.4.40. Total world production in 1939-40 was approximately 4,186 million bushels, second only to the record world harvest of 4,504 m.b. in 1938-39, and 15 per cent. (547 m.b.) above the average for the five seasons ended 1937-38.

STATISTICAL POSITION. Cabled information published early in April by the International Institute of Agriculture shows:-

World Exportable Supplies in 1939-40	...	1,324 m.b.
Estimated Carry-over Exportable Stocks on 31st July, 1940	.... more than	710 m.b.

This exceeds the previous record carry-over of 1933 by almost 20 per cent. and supplies are more than sufficient to supply import requirements in 1939-40 and 1940-41 without any wheat from this season's crops. It is clear, therefore, that war-time conditions, and not the statistical position are the cause of the present relatively satisfactory level of wheat prices. The exportable supplies are mostly in Canada, Australia and the United States (which is holding a reserve of some 300 m.b.)

PROSPECTS, 1940-41. It is very probable that the world harvest of 1940-41 will be much smaller than that of last season. A trade opinion is that European production may decrease as much as 20 per cent. North American conditions are unfavourable, but some improvement is still possible. Forecasts for the United States are:-

Spring wheat	200 m.b. (1939;	192 m.b.)
Winter wheat	426 m.b. ("	563 m.b.)

Pacific coast prospects were good when last reported.

Canada has had insufficient rain before and since sowing of the Prairie crop.

The position in Europe is the result of extremes of temperature and rainfall. Information from various sources is summarised as follows:-

Western Europe. Much winter wheat abandoned. Resowing with oats and barley likely.

South-eastern Europe. Excessive rains and flood damage. Only moderate harvest expected.

Rumania. Winter wheat sowings 7.8 million ac. (1939, 9.5 m.ac.) prospects poor. Embargo on export of wheat not already sold.

/Hungary.....

Hungary - much damage by floods. Forecast 76 m.b. (1939; 112 m.b.)

Yugo-Slavia - flood damage.

Russia - Spring sowing very backward. Winter crop believed much damaged.

Italy. Winter kill greater than usual.

United Kingdom. Field work progressed rapidly when weather became fine. Spring sowings mainly oats and barley.

India. Harvesting tending to confirm forecast (400 m.b.)

North Africa. Moderate prospects.

China. Increased harvest probable.

Argentina. Sowing proceeding actively in good conditions.

WHEAT SUPPLIES AND THE WAR. Enough information is now to hand to show that Germany's handiest sources for wheat (and other grain) imports are unlikely to prove capable of substantially replenishing her granaries in 1940-41. Trade opinion is that Danubian countries will have little surplus above domestic needs. Russian prospects are believed unpromising, and as last harvest did not more than meet home needs there is no carry-over surplus to draw upon. Any wheat sent to Germany would be at the expense of Russian consumption. It is doubtful if Norway and Denmark together held more than 10 or 11 m.b. of wheat at the time of the invasion. The general position of these countries in relation to wheat supplies was:-

		Norway.	Denmark.
Average production	1935-39	2.3 m.b.	14.1 m.b.
" imports	"	7.9 "	6.7 "

Germany herself suffered the rigours of weather affecting Western Europe and the military drain upon farm labour is also likely to cause home production to fall.

The Allies have export sources with supplies many times their import requirements to draw upon.

TRADE AND TRADE CONDITIONS. Full particulars of wheat shipments are not available, but up to the end of March 1940 it was estimated (Economist 6.4.40) that shipments were about 325 m.b. (including Australia to 31.1.40) compared with 386 m.b. exported in Aug.-Mar., 1938-39. Shipping difficulties and the blockade of Germany are factors in the smaller international movement of wheat.

In March and April more than 20 m.b. of Canadian wheat was bought by the United Kingdom. It has been reported that British millers are required to use 60 per cent. Canadian in their grist and are absorbing 2.4 m.b. a week of Manitoba type wheat. Storage capacity in the United Kingdom, as well as shipping space, is a factor affecting absorption of Australian wheat. A London cable (6.4.40) stated British granaries were overflowing and docks congested as a result of heavy arrivals from Australia.

Argentina has lately made sales to Spain (5 m.b.) and Portugal. Because of the small 1939-40 harvest Argentina will not compete further in European wheat markets this season.

The United States is subsidising at 22 cents a bushel the export of a surplus of about 20 m.b. from the Pacific Coast. A trade authority states that Australian flour is about a dollar a ton below

/the price.....

the price of American flour in Hong Kong, but flour is too dear for Chinese consumers, so that export opportunities are limited in that direction. Though China is expecting a larger crop the disorganisation of transport may prevent the cheaper home-grown wheat reaching potential buyers.

Canada guaranteed growers of wheat (up to 5,000 bus.) delivered to the Board 70 cents a bushel (basis; No. 1 Manitoba, Fort William) and 60 cents a bushel for wheat delivered to the Pools. The Board has stated officially that a bonus of 5 to 8 cents a bushel will ultimately be paid to growers.

AUSTRALIAN POSITION. Generally favourable conditions exist for wheat sowing in Australia. The Commonwealth Government has advised wheat growers to restrict sowing and to transfer some wheat lands to pastures. Later it may encourage the cutting of wheat for hay instead of for grain. This action has been taken because of an anticipated unexported surplus of perhaps 60 m.b. when the 1940-41 crop is harvested. At present there is, according to the Minister for Commerce, still 124 m.b. to be shipped from Australia. He revealed (3.5.40) that the liability assumed by the Commonwealth for the 1939-40 crop was £26.25 m. while cash receipts to date were only £5 m. Growers are unlikely to receive a further advance on wheat in the No. 2 Pool for some time.

An allocation of £195,000 has been made to New South Wales from the Commonwealth Government's grant of £500,000 to promote the removal of wheat growers from marginal wheat areas.

PRICES. During April, 1940 futures quotations rose gradually and on April 20 reached the highest level of this season in Chicago and Winnipeg. Since then prices have declined again and on May 4 were only a cent or two a bushel higher than a month before. In London at the end of April Australian parcels were $2\frac{5}{8}$d. per bushel higher than at the end of December, 1939, and had risen $2\frac{1}{4}$d. per bushel during the past two months.

Apparently the likelihood of reduced production in 1940-41 has already been taken into account in world markets, though in Chicago the influence of domestic crop prospects is the dominating factor. Political developments have outweighed actual and prospective supplies as a market influence in recent months. War-time movements in futures quotations were:-

NORTH AMERICAN WHEAT FUTURES - JULY OPTIONS.

	Sept.1 1939	Dec.1 1939	Jan.2 1940	Feb.1 1940	Mar.30 1940	Apr.20 1940	May 1, 1940.
		cents per bushel					
Chicago	$74\frac{1}{8}$ ∅	$86\frac{1}{2}$	$104\frac{3}{8}$	$93\frac{3}{8}$	$103\frac{7}{8}$	$109\frac{7}{8}$	$104\frac{1}{4}$
Winnipeg	$68\frac{1}{2}$ ∅	$81\frac{7}{8}$	$91\frac{1}{2}$	$94\frac{7}{8}$	$90\frac{3}{8}$	$92\frac{7}{8}$	90

∅ May options.

LOCAL TRADE. The Wheat Board's fixed prices were raised all round by $2\frac{1}{2}$d. per bushel on April 12, 1940 after remaining unchanged since Dec. 20, 1939. The new prices, which still rule, were for bagged wheat for export 4s.3d. and silo wheat for local flour and small export orders 4s. per bushel, f.o.r. at ports. There has been intermittent buying of flour for export orders and on April 18 the sale of 100,000 tons of flour to the Kitsui Bussan Kaisha of Japan was announced by the Australian Wheat Board. Otherwise the local market has been very quiet. The price of silo wheat is now about 65 per cent. higher than a year ago. The course of wheat prices in Sydney was as follows:-

/PRICES.....

PRICES OF BULK WHEAT - SYDNEY.

Monthly Averages - Per bushel, ex trucks, Sydney. ∅
(Excluding bounty and including silo storage charges when payable.)

	Season ended Nov.	Dec.	Jan.	Feb.	March	April
	s. d.	s.d.	s.d.	s.d.	s.d.	s.d.
1933-34	2 9	2 7	2 6	2 5	2 6	2 6
1936-37	5 3	5 4	5 2	5 10½	5 4½	5 5
1937-38	4 0	4 6	4 6	4 6	4 2	4 0½
1938-39	2 5	2 6	2 6	2 6	2 4	2 5
1939-40	...	3 5	3 9½	3 9½	3 9½	3 11

∅ Shippers' offers ex trucks, Sydney to 1938-39. Australian Wheat Board's price for wheat for local consumption and small export orders, f.o.r., Sydney from December, 1939.

A first advance of 2s.8½d. a bushel (less rail freight) has been paid for 1939-40 bulk wheat. A further substantial payment is likely if the remaining exportable surplus is sold satisfactorily.

FLOUR. The price of flour in local trade was £12 10s. per ton throughout April, 1940. Offsetting the rise in wheat prices, the rate of flour tax was reduced 10s. to £1.15s.5d. per ton on April 22, 1940. Some flour mills have reduced operations owing to the coal strike, but completion of the British order and ~~for~~ gristing of the Japanese order will assure activity in flour mills for some time to come.

Exports of flour from New South Wales in March, 1940 were 33,100 tons, compared with 18,150 tons in March, 1939. In the four months ended March, 1940 the quantity exported was 22 per cent. greater than in the corresponding period of 1938-39 and there was an increase in value of 76 per cent.

EXPORTS OF FLOUR OVERSEA (DIRECT) FROM NEW SOUTH WALES.

	Four months ended March.				
	1936.	1937.	1938.	1939.	1940.
Flour exported (tons)	66,305	71,419	68,368	81,723	99,684
" " (value,£000)	514	774	654	479	841

/BUTTER....

PART I. (Continued.)

BUTTER. Due to the very dry summer and early autumn the quantity of butter made in factories in New South Wales in March, 1940 was less than in March of any year since 1926 and 2.57 million lb. less than in March, 1939. Production in the nine months ended March was 8 per cent. greater this season than in 1938-39 but 9.9 million lb. or 10 per cent. below the average for the period in the five seasons ended 1937-38.

PRODUCTION OF BUTTER IN NEW SOUTH WALES FACTORIES.

	1936.	1937.	1938.	1939.	1940.
	Thousand lb.				
Month of March	13,324	13,363	12,411	12,137	9,562
Nine months ended March	94,262	81,366	94,878	83,763	90,481

Colder weather has followed upon recent rains, preventing production from increasing. A seasonal decline (slight only in Queensland) is now apparent in all States. The local wholesale price of butter is 158s.8d. per cwt. (unchanged since June 8, 1938).

A cable from London states that traders believe that the consumption of butter in the United Kingdom is little more than 4 oz. per head a week, or only half the ration allowance. This is a result of the dearness of butter, and the widespread use of much publicised and relatively inexpensive margarine. Permanent prejudice to the market for butter is feared.

The agreed price for British purchase of Australian butter in 1939-40 (137s. 2d. Aust. per cwt.) is 15s.(Aust.) per cwt. above the export parity of the market price in London of a year ago, and 11.4 per cent. above the average price in 1938-39.

PRICES OF BUTTER - EXPORT AND LOCAL.

	Average - Seasons ended June.				At May 4.	
	1929-32.	1933-36.	1937-39.	1939.	1939.	1940.
	Shillings (Australian) per cwt.					
Export Parity	135	88	122	123	12~~5~~2	137(a)
Local Sales	173	134	150	159	159	159

(a) Agreed price for British purchase, 1939-40.

METALS. During the past week the price of tin on the open market in London fluctuated about the recent higher level. Tin statistics for April showed no significant change in world visible supplies. Both supplies received and deliveries made were much heavier than in April, 1938 or 1939.

INTERNATIONAL TIN STATISTICS.

	April, 1938.	April, 1939.	March, 1940.	April, 1940.
	Tons.	Tons.	Tons.	Tons.
World Visible Supplies	19,041	25,574	22,980	23,119
Supplies received	8,014	9,660	15,961	12,808
Deliveries	8,435	8,356	16,846	12,669

/The slight......

PART I. (Continued.)

The slight gradual upward trend of the price of silver in London continued.

Price of Silver in London - Per oz. (standard) Stg.

Average.				
Aug.1939.	Nov.,1939.	Mar.,1940.	April 26, 1940.	May 3, 1940.
1s.4.95d.	1s.11.38d.	1s.8.76d.	1s.8.81d.	1s.9.07d.

The British Ministry of Supply fixed prices of lead (£stg.25), spelter (£stg. 25.15s.) and electroyltic copper (£stg.62) per ton were maintained.

/PART II.....

PART II. INTERNATIONAL CURRENCY RELATIONS.

	Price of Gold. (London)	Rate of Exchange. London on New York.	London on Paris.	New York on London.	New York on Paris.
	Per oz. fine.	$ to £stg.	Fr. to £stg.	$ to £stg.	$ to Fr.100
	£. s. d.	(Pegged from Sept.1939)		(Open Market).	
Average-1937	7 0 9	4.94	124.6	4.94	4.04
" -1938	7 2 6	4.89	170.6	4.89	2.88
Av. July,1939	7 8 6	4.68	176.7	4.68	2.65
" Aug., "	7 10 6	4.61	176.4	4.61	2.62
" Feb.,1940	8 8 0	4.03	176.6	3.96	2.25
" Mar., "	8 8 0	4.03	176.6	3.75	2.13
" Apr., "	8 8 0	4.03	176.6	3.53	2.00
April 6, 1940	8 8 0	4.03	176.6	3.58	2.03
" 27, "	8 8 0	4.03	176.6	3.51	1.99
May, 4, "	8 8 0	4.03	176.6	3.48	1.97

There has been no change in the British official rates of exchange of sterling with French and United States currencies since pegging of the rates early in September,1939.

Last week quotations of sterling in the open market in New York declined and on May 4, 1940 the rate of $3.48 to £stg. was only a couple of cents above the lowest closing quotation of the war period ($3.46 on April 9, 1940). The open market rate of the French franc has moved similarly to that of sterling.

/PART III.....

PART III. FINANCE AND TRADE

REAL ESTATE. In April, 1940 the total amount of property sales registered was a little greater than in April, 1939, though less than in April of the years 1936 to 1938. For the four months ended April, 1940 the decrease in value compared with a year earlier was 13.9 per cent., compared with a decrease of 16.7 per cent. in Sept.-Dec.,1939 from Sept.-Dec.,1938.

Monthly totals compare with those of one and two years earlier as follow:-

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Considerations of Sales Registered - £1,000.							
1937-38	2,665	3,079	3,478	3,585	2,383	3,285	3,280	2,770
1938-39	3,079	3,111	2,671	2,797	2,449	2,438	3,623	2,245
1939-40	2,934	2,330	2,381	2,067	1,884	2,524	2,464	2,392

Agents report a strong demand for investment property, as well as for cottages, home sites, and industrial sites and premises. Property values are said to be hardening.

REAL ESTATE TRANSACTIONS - NEW SOUTH WALES.

	Month of April.		Four months ended April	
	Sales.	Mortgages.(a)	Sales.	Mortgages(a)
	Amount of Considerations: £000			
Average, 1925-29(b)	(4,619)	(4,042)	(18,476)	(16,168)
1936	3,033	1,389	10,840	6,860
1937	2,792	1,607	11,334	7,290
1938	2,770	2,359	11,718	8,034
1939	2,245	2,025	10,755	7,682
1940	2,392	1,560	9,264	6,154

(a) Normal renewal of mortgages is included in the figures for 1925-29.
Renewals were rendered unnecessary in many cases by the Moratorium Act, 1930.
(b) Monthly and four-monthly averages.

/PART IV....

PART IV. INDUSTRIES.

BUILDING PERMITS. RURAL & INDUSTRIAL TOWNS.

The value of permits in March Qr.,1940 (£922,000) was about the same as in Dec. Qr.,1939 but over 30% below the high level of 1938. There was reduced house and flat building, permits for factory buildings were higher in value and shops and "other" buildings continued at a relatively high level. Dwellings proposed in March Qr. declined in number from 1,172 in 1938 and 1,093 in 1939 to 847 in 1940.

Permits to erect private buildings in 129 country towns amounted to £922,000 in March quarter, 1940. This was £20,000 greater than for Dec.Qr.,1939 but was the lowest first quarter total since 1936. It was 21 per cent. less than in March Qr.,1939. In the twelve months ended March, 1940 the aggregate (£4,017,000) was £967,000 less than in the preceding twelve months. Construction of military camps, etc. has provided some offset to the decline in private building in certain country centres.

VALUE OF BUILDING PERMITS GRANTED - 129 TOWNS. N.S.W.
(Includes Additions etc. Excludes Government Buildings.)

	March Quarter.	June Quarter.	September. Quarter	December Quarter.	Total - Year ended March.
	£000	£000	£000	£000	£000
1935	631	825	884	956	2,418
1936	917	987	1133	979	3,582
1937	1010	1221	1230	1134	4,108
1938	1461	1256	1378	1184	5,046
1939	1166	1126	1067	902	4,984
1940	922	-	-	-	4,017

The value for permits for dwelling houses again declined substantially (by 16½ per cent.) in comparison with the corresponding quarter of the preceding year and was slightly less than in Dec.Qr., 1939. Flat proposals made an exceptionally small total, and amounts for shops and for "other" buildings (offices, churches, halls, etc.) continued about the recent level. The value of proposed factory buildings, however, was highest of any quarter for two years.

The following quarterly comparisons show a definite decline in buildings for residential purposes and a less well confirmed tendency toward a lower level for other types of buildings:-

Quarter ended -	Houses.	Flats (a)	Hotels etc.	Shops (b)	Factories & Public Garages.	Other Buildings.	Total.
			Value (£1,000) of Proposed Buildings.				
March,1939	678	75	135	103	67	108	1166
June, "	688	25	90	113	33	177	1126
Sept., "	738	30	89	91	24	95	1067
Dec., "	579	18	92	62	33	118	902
March,1940	568	16	54	89	70	125	922

(a) Including conversions to flats. (b) Including shops with dwellings.

Values for each principal type of building in March quarter of each year since 1936 are shown below. This table shows that building in country towns has fallen back to the level of 1936, with values for each class of building substantially less than in March quarter, 1938, when building activity was at its peak.

/BUILDING....

BUILDING PERMITS GRANTED - 129 COUNTRY TOWNS - NEW SOUTH WALES.
(Excluding Government Buildings.)

Type of Building.	Value of Permits for New Buildings and Alterations and Additions to Buildings. March Quarter.				
	1936.	1937.	1938.	1939.	1940.
	£000	£000	£000	£000	£000
Dwelling Houses	579	541	726	680	568
Flats - New and Converted	13	27	32	75	16
Hotels, Guest Houses, etc.	∅	130	203	131	54
Shops & Shops with Dwellings	172	87	99	104	89
Factories & Public Garages	23	33	235	69	70
Other Buildings	130	192	166	107	125
Total.	917	1010	1461	1166	922

∅ Included with houses.

Bountiful yields and improved prices for primary products have increased spending power in country towns.

DWELLINGS. In March Qr.,1940 there were 847 net additional dwellings proposed in these country towns, compared with 1,093 and 1,172 in the first quarter of 1939 and 1938, respectively. Generally, house-building was well sustained until the last quarter of 1939 when the influence of the war became apparent. In the six months ended March, 1940 the number of dwellings included in building permits was 25.7 per cent. less than in Oct.-Mar.,1938-39. Trends in the provision of housing in country towns are as shown below:-

DWELLINGS INCLUDED IN BUILDING PERMITS - 129 TOWNS, N.S.W.

Period	Houses. Brick, etc.	Houses. Wood, Fibro etc.	Flats.	Converted to Flats.	Hotels, Guest Houses, etc.	With Shops	Demolitions and Conversions.	Net Total Additional Dwellings.
	Number of Dwellings Proposed.							
Year - 1936	747	3067	102	51	∅	104	165	3,906
1937	866	3098	157	78	27	105	150	4,181
1938	798	3648	168	81	25	105	204	4,621
1939	666	3265	154	105	17	75	217	4,065
Mar.Qr.,1937	168	755	46	11	10	28	47	971
" 1938	175	951	38	4	8	24	28	1,172
" 1939	147	868	78	25	6	15	46	1,093
June Qr.,1939	178	832	27	22	4	29	73	1,019
Sept. " "	179	915	34	39	3	19	63	1,126
Dec. " "	162	650	15	19	4	12	35	827
Mar.Qr. 1940	150	643	10	47	2	35	40	847

∅ Included with brick houses.

BUILDING PERMITS, NEW SOUTH WALES. Total recorded building permits in New South Wales (embracing towns with about 70 per cent. of the population of the State) in March quarter, 1940 were valued at £3.51 million, compared with £3.79 million in the preceding quarter, and £4.25 million in March quarter, 1939. The following comparisons of quarterly aggregates show a substantial diminution in building operations in the State:-

/MARCH,....

	March Quarter.	June Quarter.	September Quarter.	December Quarter.	Total - Year ended March.
	£000	£000	£000	£000	£000
1937	3,079	4,363	4,585	4,630	14,361
1938	4,817	5,170	5,739	4,646	18,395
1939	4,254	4,647	4,894	3,786	19,809
1940	3,511				16,838

In the twelve months ended March, 1940 permits granted throughout New South Wales (as recorded) were £2,971,000 or 15 per cent. below the value of the preceding twelve months.

The diminution in the City of Sydney is due to diminution in proposals for large office buildings and permits have also shown an appreciable decline in the suburbs over the war period. In Country towns there was little change from December to March quarters, 1939-40. Decreases in value in comparison with March quarter, 1939 ranged from 13.6 per cent. in the suburbs and 21 per cent. in country towns to 47.3 per cent. in the City. For the quarter the aggregate value was 17.5 per cent. less than in March quarter, 1939 and 27 per cent. below that of March quarter, 1938. Comparative particulars are:-

VALUE OF BUILDING PERMITS GRANTED - NEW SOUTH WALES.

(As far as Recorded. Excluding Government Buildings.)

Period	City of Sydney,	Suburbs of Sydney.	129 Country Towns.	Seven Shires.	Total of Foregoing.
	£000	£000	£000	£000	£000
Year 1929	3,547	10,798	4,526	851	19,722
1933	825	2,113	1,134	297	4,369
1937	2,544	8,717	4,594	801	16,656
1938	3,410	10,632	5,279	1,051	20,372
1939	1,886	10,334	4,261	1,101	17,582
March Qr.,1937	199	1,751	1,010	119	3,079
1938	667	2,439	1,461	250	4,817
1939	427	2,429	1,166	232	4,254
Dec.Qr.,1939	440	2,163	902	280	3,786
March Qr.,1940	225	2,099	922	265	3,511

BUILDING SOCIETIES. Difficulties of building societies in arranging finance have increased. Only five new societies have been registered in the last nine months. Although approached, the Commonwealth authorities administering the control of investments have not defined the official attitude toward the provision of new finance for building societies. A comparison of operations in March quarter of this and last year illustrates the declining influence of the societies on housebuilding activity:-

BUILDING SOCIETIES - OPERATIONS DURING MARCH QUARTER 1939 AND 1940.

March Quarter.	New Members.	New Shares.	New Loans Approved.	New Advances Made.	Loans approved yet to be made.
	No.	No.	£000	£000	£000
1939	817	14,969	832	1,009	1,293
1940	109	1,972	457	611	747

Over 75 per cent. of all members had loans approved up to 31st March, 1940. Retardation of the rate of development of co-operative building societies is shown by particulars of the position at various dates given hereunder:-

/CO-OPERATIVE...

CO-OPERATIVE TERMINATING BUILDING SOCIETIES - NEW SOUTH WALES.
Position as at Various Dates.

Position at:-	Members.	Shares Allotted	Advances Approved.ø		Advances Made.ø	
			Number.	Amount.	Number.	Amount.
	No.	No.		£000		£000
Jan.15,1938	10,129	116,089	3,192	1,984	1,799	996
Dec. 31, "	17,801	217,233	10,070	6,996	8,308	5,526
Mar.31,1939	18,618	232,202	11,124	7,828	9,572	6,535
June 30, "	18,787	238,502	12,002	8,573	10,743	7,425
Sept.30, "	18,954	245,155	13,155	9,405	12,011	8,372
Dec.31, "	19,253	248,869	13,962	10,050	13,007	9,149
Mar.31,1940	19,362	250,841	14,542	10,507	13,784	9,761

ø From June, 1939 exclusive of loans repaid.

Societies' overdrafts at 31st March,1940 totalled £8,864,000 representing 90.8 per cent. of the amount advanced to members. There were 166 registered societies, 165 of which had allotted shares, 164 had approved loans and 161 had made advances to members. The amounts and purposes for which loans were approved, and the amounts actually paid out by the societies up to the end of March,1940 were as follow:-

CO-OPERATIVE TERMINATING BUILDING SOCIETIES - NEW SOUTH WALES.

Operations to 31st March,1940.

Purpose of Loan.	Loans Approved.		Advances Made.	
	Number.	Amount.	Number.	Amount
		£000		£000
To build new homes.	7,965	5,897	7,450	5,335
To purchase existing homesø	5,185	3,839	4,986	3,680
To discharge mortgages on homes	1,316	863	1,288	842
To add to or alter homes	256	61	240	59
For other purposes	29	22	29	20
Total	14,751	10,682	13,993	9,936
Less Loans Discharged	209	175	209	175
Net Totals	14,542	10,507	13,784	9,761

ø Mostly newly erected buildings.

IRON AND STEEL. Particulars of operations at the Newcastle and Port Kembla works disclose a decline in the production of iron and steel in March, 1940 occasioned by the coal strike.

It is reported that early in April all normal production at these works was suspended and only such operations as were imperative to prevent irreparable damage to plant through loss of temperature were proceeding. Advantage has been taken of the lull in activity to effect extensive repairs to plant. It is likely that some weeks will elapse after fresh supplies of coal are available before the pre-stoppage high level of output can be attained again.

/INDEXES....

PART IV. (Continued.)

INDEXES OF PRODUCTION OF IRON AND STEEL, NEW SOUTH WALES.

	Pig Iron.	Ingot Steel.
	Index Numbers.	
Monthly Average - Year 1928-29	100	100
- " 1931-32	41	51
- " 1937-38	202	268
- " 1938-39	240	270
Month of March, 1937	199	254
1938	207	262
1939	230	268
February, 1940	295	354
March, 1940	221	279